

**MINUTES OF THE REGULAR MEETING OF THE
WASHINGTON STATE TRANSPORTATION COMMISSION
July 14 & 15, 2009**

The regular meeting of the Washington State Transportation Commission was called to order at 9 A.M., on July 14, 2009, in Room 1D2 of the Transportation Building in Olympia, Washington.

Commissioners present at the meeting were: Chair Moser, Bob Distler, Dick Ford, Elmira Forner, Latisha Hill, Dan O'Neal and Philip Parker.

MINUTES APPROVAL

It was moved by Commissioner Forner and seconded by Commissioner Ford to approve the meeting minutes of the May 20 & 21, 2009 Regular Meeting, the June 10, 2009 Tacoma Narrows Bridge Toll Rate Hearing verbatim minutes and the June 16, 2009 Spokane Valley Local Meeting minutes. The motion passed unanimously.

Commissioner O'Neal reported that he attended the Bremerton Tunnel opening event. He noted that the event was very well attended and that the tunnel and waterfront improvements are exceptional.

Commissioner Parker reported that he also attended the tunnel opening event. He shared that the new tunnel provides pedestrian safety and transit enhancements and was a good move towards economic development.

BIPARTISAN POLICY CENTER REPORT: "PERFORMANCE DRIVEN: A NEW VISION FOR U.S. TRANSPORTATION POLICY"

Former U.S. Senator Slade Gorton and Project Co-Chair shared that the study was sponsored by a group called the Bi-Partisan Policy Center in Washington D.C. This study recognizes the need for a new vision for federal transportation policy and aims towards bringing new approaches and fresh thinking to these issues. He moved on to talk about federal goals and priorities for transportation investments and how critical those are to national interest. He expressed that bringing about reform will be much harder than identifying goals.

Commissioners and Senator Gorton shared discussion on key recommendations and public acceptance.

2030 CAT TRANSIT VISION

Brian Lagerberg, Assistant Director, Public Transportation Division, WSDOT, explained that WSDOT recognizes the need to reduce greenhouse gases and will utilize several strategies in order to improve the efficiency of the transportation system. A full suite of strategies will include reducing vehicle miles traveled, improving vehicle technology and lowering the carbon content of fuel. The most important thing is to provide the travelling public options in order to meet the demand. Developing a new framework for public transportation will require thinking outside the box which will allow for new perspectives, opportunities and partnerships.

Commissioners and Mr. Lagerberg discussed land use, system efficiencies and the impacts of system pricing.

WASHINGTON STATE FERRIES (WSF) 2009 FARE ADJUSTMENT PROPOSAL

Ray Deardorf, Planning Director, Ferries Division, WSDOT, and Michael Hodgins, Principal, Berk & Associates presented the 2009 Fare Adjustment Proposal.

Mr. Deardorf explained that the draft tariff proposal includes a 2.5 percent general fare increase with nickel rounding and removal of the 5 percent surcharge on multi-ride fare media purchased at tollbooths and revising the status of the In-Need Organizations Pilot Program making it a permanent.

Commissioners and Mr. Deardorf discussed fare rate calculations and tariff route equity methodology on routes. It was determined that the Commission would vote separately on each of the items in the proposal.

Mr. Deardorf opened discussion on amending WAC 468-300-01–Expiration date on In-Need Organizations.

It was moved by Commissioner Distler and seconded by Commissioner Moser to make the In-Need Organizations Program permanent removing any pilot program or expiration date language from the WAC. The motion passed 6 “Aye” and 1 “No”.

Mr. Deardorf opened discussion on amending WAC 468-300-02 – Vehicles under 20 feet (reservation deposits) proposed language.

VEHICLE RESERVATION DEPOSIT – non-refundable deposits for advance vehicle reservations may be established up to 100 percent of the applicable fare. This is a deposit toward the fare and not an additional fee, and applied only to those routes where the legislature has approved the use of a reservation system. Refunds may be available under certain special circumstances as defined by the Vehicle Reservation Pre-Design Report due to the legislature in late 2009.

It was moved by Commissioner Ford and seconded by Commissioner Hill to approve the proposed language.

It was moved by Commissioner Distler to amend the motion changing the language to include a floor of 25 percent and revise the WAC to read: 25-100 percent of the applicable fare. He also moved to strike language: as defined by the Vehicle Reservation Pre-Design Report due to the legislature in late 2009.

It was moved by Commissioner Distler to substitute the amended motion language with: non-refundable deposit language to read: non-refundable deposits for advance vehicle reservations shall be established from 25-100 percent of the applicable fare. With the last sentence reading: refunds may be available under certain special circumstances as defined by a policy prepared by the Assistant Secretary of Transportation Marine Division.

Chair Moser requested that the language be amended switching “shall” to “may”.

Commissioner Ford called for the question on Commissioner Distler's motion.

Commissioner Distler amended his substitute motion to read: ***“may be established” at a rate from 25-100 percent of the applicable fare.*** Place a period after the word “circumstances” and delete all wording thereafter.

The amended substitute motion passed with 6 “Aye” and one “No”.

Mr. Deardorf opened discussion on amending WAC 468-300-040 – Oversized Vehicles. The proposed language would read:

TRANSFERS – Tolls collected westbound only. Oversize vehicles traveling westbound from Anacortes may purchase a single intermediate transfer when first purchasing the appropriate fare. The transfer is valid for a 24-hour period and is prices as follows: October 11, 2009 – October 10, 2010, \$58.25 base season, \$78.75 peak season.

It was moved by Commissioner Distler and seconded by Commissioner Ford to approve the proposed language as stated.

The Commission held discussion and Commissioner Distler moved to amend his motion.

He moved that the fares on the Anacortes/San Juan Islands/Sidney route be increased by the same general fare increase rate that applies to the rest of the network. The amended motion was seconded by Commissioner Forner. The motion passed unanimously.

Mr. Deardorf opened discussion on amending – Elimination of the Seattle/Vashon Passenger Only Fare. This amendment is requested due to King County Ferry District taking over the route at the end September 2009; King County will then institute its own fare structure effective October 1, 2009.

It was moved by Commissioner Ford and seconded by Commissioner Forner to approve elimination of the Seattle/Vashon passenger only fare from the fare rate structure. The motion passed unanimously.

Mr. Deardorf presented a proposal to implement a pilot program for free passage on emergency call outs for fire districts that use WSF for official emergency responses to eliminate the fare associated with the emergency call out situation.

It was moved by Commissioner Distler and seconded by Commissioner Ford to adopt staff recommendation on emergency fire district call outs free passage. The motion passed unanimously.

Mr. Deardorf presented a proposal regarding adjusting rates for the transport of hazardous materials on board chartered ferries i.e. flammable materials.

It was moved by Commissioner Distler and seconded by Commissioner O'Neal to adopt the adjustment of rates for all chartered WSF vessels. The motion passed unanimously.

Mr. Deardorf reported that 10 percent discounts will continue for frequent commercial charge account customers. He noted that summer surcharge does apply.

Commissioners questioned what the justification is for the discount.

Mr. Deardorf responded that it simply provides frequent commercial carriers so level of discount.

Commissioners discussed the possibility of switching commercial carriers to non-peak or the possibility of implementing a variable rate depending on time-of-day travel. Also elimination of this discount was discussed.

It was moved by Commissioner Distler and seconded by Commissioner Forner that the Commission take no action on this item at this time. The motion passed unanimously.

Mr. Deardorf presented the 2009 Draft Tariff Proposal of 2.5 percent with nickel rounding explaining that it is consistent with legislative guidance and meets the revenue goals included in the 2009-11 Transportation Budget.

Commissioners discussed their concerns regarding the traffic forecast, a possible revenue gap and their fiduciary duty in setting the fares.

It was moved by Commissioner O'Neal and seconded by Commissioner Forner to adopt the 2.5 percent fare increase effective October 11, 2009.

Commissioner Ford expressed his willingness to go along with the 2.5 increase on the condition that a letter is drafted to the legislature letting them know that there could be a potential gap and future increases could be significantly higher.

The motion passed with 6 "Aye" and 1 "No".

Mr. Hodgins opened discussion on Tariff Route Equity for the San Juan interisland route. He explained that all routes are in proper alignment with time-based fares with the exception of the San Juan interisland route. The process for bringing the routes into alignment has always been to do an up to a maximum of 5 percent more than the general fare increase. The base proposal brought forward by WSF did not include a San Juan Islands' route equity adjustment and the Commission's sub-committee requested that WSF bring forward fare implications of proceeding with the old policy and continued implementation of route equity alignment on that route. The old policy of adding 5 percent to the 2.5 percent would essentially align the route and would get us where we need to be, and the route would then be in alignment and the issue resolved. There is an option of 2.5/2.5 percent which would take two years to align the TRE on the route.

It was moved by Commissioner Distler and seconded by Commissioner Ford to continue with the pre-existing policy of some eight years. The San Juan interisland fare increase will be 5 percentage points above the across-the-board 2.5 percent fare increase recognizing that this will be the last time the issue is before the Commission. The motion passed unanimously.

Mr. Hodgins opened discussion on the super summer surcharge which would add a third tier to the pricing structure where a higher fare would be implemented during July and August beginning in 2010.

It was moved by Commissioner Distler and seconded by Commissioner Moser to adopt the super summer surcharge at a level of 10 percentage points above the existing summer surcharge from the last Thursday in June through the day after Labor Day. The motion passed unanimously.

2009 MARINE CARGO FORECAST

Eric Johnson, Executive Director, Washington Public Ports Association, provided background information on the forecast, the type of information that it generates and its primary purpose. He provided an overview of forecast findings and how those findings impact the Northwest.

PUBLIC COMMENT

There were no members of the public available for comment.

2008 DEPARTMENT OF COMMUNITY, TRADE AND ECONOMIC DEVELOPMENT (CTED) TRAVEL IMPACTS REPORT

Betsy Gabel, Marketing Manager, Washington State Tourism, CTED, shared that the tourism industry in Washington State makes a difference and can help with recovery from the economic downturn. She provided an overview of tourism trends in the state noting that visitors are primarily from within the state with overnight visitors amounting to more than half of all visitor spending. She praised the dedication of Scenic Byways' as an enormous tourism driver in Washington State.

TRANSPORTATION COMMISSION BUSINESS

Ferry Fare Adjustments public outreach

Commissioners discussed possible locations for holding ferry tariff adjustments public input meetings during the first week of September. Following the public meetings the Commission will take action on the proposed fare adjustment at a public hearing to be held September 8, 2009 in Seattle.

Naming of future ferries

Commissioners held discussion regarding creating a policy for the naming of future ferries and performing a market viability assessment for the selling of naming rights as requested by the Legislature. To be presented to the Legislature at the start of the 2010 session. The Commission appointed a subcommittee to further delve into the selling of ferry naming rights.

Status report on Commissioner white papers

Commissioner Ford presented his draft white paper on Local Street Utility for discussion.

Review of Commissioner Ford's draft letter regarding ferry fare adjustment

Commissioner Ford explained the reasoning behind his proposed draft letter to the Governor and Transportation Committee Chairs regarding the proposed fare adjustments.

Meeting with California and Oregon Transportation Commissions

Reema Griffith, Executive Director, WSTC, distributed the agendas for the Oregon and California joint Commission meetings.

Washington Transportation Plan and 2009 Annual update

Paul Parker, Senior Policy Analyst, WSTC, shared that the Request for Proposals has been published and four proposals were submitted in response to the request. Interviews will be scheduled for Wednesday, July 29, 2009. He provided a brief overview of the 2009 Annual Report structure.

NAMING SR 529 THE “YELLOW RIBBON HIGHWAY”

Nathan Olson presented a request to name a portion of SR 529 –Everett to Marysville, the “Yellow Ribbon Highway”. He shared that this request for naming is an effort to honor the service and sacrifices of our active duty service members serving around the world for Washington State and our nation.

It was moved by Commissioner Ford and seconded by Commissioner Forner to adopt Resolution 694 naming State Route 529 – between milepost 0 at Interstate 5 in Everett, Washington to milepost 6.69 at State Route 528 in Marysville, Washington the “Yellow Ribbon Highway”. The motion passed unanimously.

JUNE TRANSPORTATION REVENUE FORECAST

Doug Vaughn, Director, Budget and Financial Analysis, Strategic Planning and Finance Division and Lizbeth Martin-Mahar, Assistant Director, Economic Analysis, Budget and Financial Analysis, Strategic Planning and Finance Division, WSDOT, presented the June 2009 Transportation Revenue Forecast. Mr. Vaughn explained that the forecast is slightly down from the March forecast, which was used to develop the 2009-11 Biennial Budget. The next forecast will be available in September and the Department will use it to develop the 2010 Supplemental.

Ms. Martin-Mahar provided an overview of key economic variables and how they’ve declined from the March forecast.

PUBLIC COMMENT

Paul Locke, citizen, shared that he believes the Southworth, Bremerton and Port Townsend ferry routes need to be eliminated. He shared that he feels there are too many government taxes and that prices need to be brought down to where it is affordable.

520 RFP UPDATE AND FEDERAL REQUIREMENTS UNDER UPA

Craig Stone, Director, Toll Division, WSDOT, provided a brief overview on the status of the elements of the tolling work on the project.

Patty Rubstello, Tolling and Systems Development Engineer, Toll Division, WSDOT, provided an overview of the Lake Washington Urban Partnership explaining that the partnership is comprised of WSDOT, Puget Sound Regional Council and King County. This partnership will apply innovative approaches to reduce congestion in the SR 520 corridor in Western Washington. These approaches will include transit, telecommuting, technology and tolling. She moved on to share that the customer service concept will be one account and one device for the TNB toll lanes, SR 167 HOT lanes and SR 520 toll lanes.

Commissioners and Ms. Rubstello discussed traffic management and compatibility with WSF reservation system and transit as well as public outreach.

FINAL STATE AVIATION PLAN

John Sibold, Director, Aviation Division, WSDOT, provided an overview of the updated Aviation System Plan components. He moved on to share information on the three phases of the Long-Term Air Transportation Study (LATS). He provided an overview of Aviation Planning Council's recommendations and key findings.

WSF IN-NEED ORGANIZATION APPLICATION – SAN JUAN ISLAND FAMILY RESOURCE CENTER

It was moved by Commissioner Ford and seconded by Commissioner Hill to approve the WSF In-Need Organization application for San Juan Island Family Resource Center. The motion passed unanimously.

The Commission meeting adjourned at 3:15 p.m., on July 15, 2009.

If you would like additional detail on what occurred at any Commission meeting in Olympia, please refer to our web site at www.wstc.wa.gov and click on the link titled "Meeting Audio on TVW" under the 2009 Olympia Meetings section of the home page. There you will be able to access the full audio recording of the meeting. If you have questions please contact our office at 360-705-7070.

WASHINGTON STATE TRANSPORTATION COMMISSION

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ELMIRA FORNER, Member

DICK FORD, Member

DAN O'NEAL, Member

LATISHA HILL, Member

PAULA HAMMOND, Ex-Officio Member
Secretary of Transportation

JENNIFER ZIEGLER, Governor's Office

ATTEST:

REEMA GRIFFITH, Executive Director

DATE OF APPROVAL